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Current Support Brief

SETBACKS IN SOVIET AGRICULTURE



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SETBACKS IN SOVIET AGRICULTURE

Further analysis of information coming from the November plenum of the Communist Party of the USSR has strengthened the view that Soviet agriculture suffered serious setbacks during 1962. A preliminary calculation of net agricultural output in 1962 indicates that production declined slightly to about the level of 1958.* In view of the 7-percent increase in population since 1958, this decline reaches significant proportions in terms of consumer expectations. The major shortfall was in the production of potatoes -- a staple in the diet and an important livestock feed, particularly in the northern European USSR.** Abnormally cool, wet weather in this area negated any gains that might have been realized from Khrushchev's campaign to plow up land in grass and fallow, and pronounced shortages of food and feed are expected to develop in this area. Unless extraordinary measures are taken to relieve the situation, consumer dissatisfaction may reach significant levels, and civil unrest, reported to have broken out in some localities during 1962, may occur on a larger scale in the months ahead.

Production of potatoes in 1962 is reported to have been 63 million metric tons, the lowest during the period 1950-62, the only postwar years for which statistics are available (see the table). The previous low for this period was in 1951, when the potato crop amounted to 70 million tons. About 18 million tons of the 1962 potato crop must be set aside for seed, leaving 45 million tons for food, feed, waste, and industrial use -- only two-thirds of the amount available for these purposes during the past 6 years. If normal deductions are made for waste and industrial use, only about 36 million tons will be available for food and feed in the 1962/63

* Soviet officials apparently are going to claim that gross agricultural output increased slightly above that of last year to a level 5 to 6 percent higher than in 1958. To avoid double counting, deductions of feed and seed are made in constructing an index of net agricultural output. In the construction of the net output index of this Office, deductions also were made for continued overestimation in the Soviet official grain production figure.

** Belorussia; the Baltic Republics; and the Central, Volga-Vyatsk, and Northwest regions of the RSFSR.

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Production of Potatoes in the USSR
1950-62

Million Metric Tons			
<u>Year</u>	<u>Production</u>	<u>Year</u>	<u>Production</u>
1950	89	1957	88
1951	70	1958	87
1952	72	1959	87
1953	73	1960	84
1954	75	1961	84
1955	72	1962	63
1956	96		

consumption year. In contrast, 35 million tons are estimated to have been consumed as food and 20 million tons as feed during the 1961/62 consumption year. Furthermore, growing and harvesting conditions in 1962 apparently reduced the quality of the crop: our embassy reports that potatoes in the Moscow market are the poorest seen in years.

Shortages will have the greatest impact in the northern European USSR, where potatoes are the mainstay of the diet and a basic livestock feed. This area accounts for about 40 percent of the total acreage sown to potatoes in the USSR and, in normal years, 45 percent of production of potatoes. Analysis of regional reports on harvesting progress and weather information indicates that the proportional decline in production of potatoes in this area was much greater than the 25-percent shortfall in the USSR as a whole. All crops -- vegetables, rye, hay, corn for silage, and sugar beets for feed -- fared poorly in this area, and there is little possibility of the substitution of other locally produced food and feedstuffs for potatoes.

Plenum speeches by the Party leaders of the Belorussian and the Baltic Republics reflect the serious nature of the agricultural situation in the northern European USSR. Crops were ruined by flooding on

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30 percent of the seeded area in Belorussia, and similar losses were reported in the Baltic Republics. The Baltic leaders compared the extreme weather conditions this year to those of 1928, which they variously described as a year of famine, starvation, and unbelievable difficulties for the bourgeois peasantry. They hastened to add that in 1962, under socialism, these difficulties have been overcome. They gave no indication, however, that specific measures have been undertaken to alleviate the situation.

During 1961 and 1962, there were several reports of civilian unrest in the USSR -- riots in the Rostov and Grozny areas; the refusal of Soviet dockworkers to load butter on ships bound for Cuba; and labor problems in Kemerovo, to name the most prominent. Some of these incidents seem to have been associated with consumer dissatisfaction -- for example, the retail price increase in livestock products in June 1962 probably was an important factor in touching off the Rostov riot. Consumer dissatisfaction is, of course, the result of a number of factors, and it is impossible to measure precisely the importance of any one factor. If our judgments are correct, however, additional elements of discontent are present in the USSR this winter -- a shortage of a key commodity (potatoes) in the entire country and a shortage of food and feed in a densely populated area (the northern European USSR, which contains about 27 percent of the population of the USSR). These elements will remain a source of discontent this winter unless the regime draws heavily upon its food and feed reserves and/or sharply reduces its food exports.

In spite of extravagant promises, ambitious plans, interminable conferences and speeches, and a series of reorganizations, Soviet agriculture has made little progress since 1958. The shortage of potatoes gives promise of becoming a major issue in 1963. This development should lend weight to the position of those leaders, apparently including Khrushchev, who argue that agriculture should be given a higher position in the scale of national priorities.

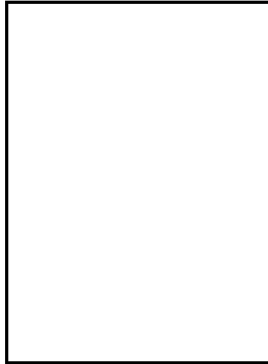
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